CORNERSTONE INSURANCE PLC

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2021

Company information and statement of accounting policies

1.1 Reporting entity

Cornerstone Insurance Plc (the Company) was incorporated on 26 July 1991 as a private limited liability company and converted to a public limited liability company on 17 June 1997. The Company's principal activity continues to be the provision of risk underwriting and related financial services to its customers. Such service includes the provision of Life and Non-life insurance services for both corporate and individual customers.

The Company has three subsidiaries - Fin Insurance Company Limited, Cornerstone Takaful Nigeria Limited and Cornerstone Leasing & Investment Limited. Cornerstone Leasing and Investment Limited commenced operations on 1 July 2004 and provides convenient asset acquisition options to both corporate organisations and individuals. Fin Insurance Company Limited was incorporated in 1981 as Yankari Insurance Company Limited. The name was changed to Fin Insurance Company Limited in 2008. The main activity of the subsidiary is the provision of General Insurance business. This includes Marine Insurance, Motor Insurance, Accident Insurance, Fire Insurance and other Non-life insurance services. Cornerstone Takaful Nigeria Limited is a company incorporated in Nigeria and its primary activity is the provision of Takaful insurance business. Cornerstone Takaful Nigeria Limited commenced operation on 1 April 2020. Cornerstone Insurance Plc has 99.99% equity interest in Cornerstone Takaful Nigeria Limited.

The Company currently has authorized share capital of ₦9.25 billion divided into 18.5 billion units of ordinary shares of 50k each with a fully paid up capital of ₦9.083 billion.The Company currently has its corporate head office at Victoria Island, Lagos with branches spread across major cities and commercial centres in Nigeria.These consolidated financial statements comprise the financial records of Company and its subsidiaries (together referred to as “the Group”).

1.2 Principal activities

The Group is engaged in various business lines ranging from property-casualty insurance, life/ health insurance and leasing. The Group's products are classified at inception, for accounting purposes, as either Insurance contracts or Investment contracts.

A contract that is classified as insurance contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period; unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

1.3 Going concern

These consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Group has adequate resources to continue as going concern for the foreseeable future and has no intention or need to reduce substantially its business operations. Liquidity ratio and continuous evaluation of current ratio of the Group is carried out to ensure that there are no going concern threats to the operation of the Group.

2.1 Basis of accounting

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) circulars.

2.2 *Functional and presentation currency*

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Group's and Company’s functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.3 *Basis of measurement*

These consolidated and separate financial statements have been prepared under the historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

- financial instruments at fair value through profit or loss measured at fair value.
- available-for-sale financial instruments measured at fair value
- insurance contract liabilities measured at present value of projected cash flows
- investment properties measured at fair value

2.4 *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

2.5 Reporting period

The financial statements have been prepared for a 6-month period from 1 January 2021 to 30 June 2021.

2.6 Changes in significant accounting policies

The Group has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements. The effective standards that have been adopted for financial period ended 30 June 2021 which had no material impact on the disclosures or on the amounts reported in the financial statements are as follows:

The Company has not early adopted any other Standards, interpretations or amendments that has been issued but not yet effective.

(i) Amendments to IFRS 9, IAS 39 and IFRS 7

The IASB, in September 2019 issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have financial instruments that reference IBORs at 30 June 2021 or apply hedge accounting to any of its benchmark interest rate exposures.

(ii) Amendments to IFRS 3

The IASB isued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. The amendments remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs. The amendment clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

(iii) Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition. The new definition states that, ’Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

(iv) The Conceptual framework for financial reporting

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements regarding references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. These amendments had no impact on the financial statements of the Company.

(iv) Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

2.7 Effective standards not yet adopted by the Group

IFRS 9 ***Financial Instruments***

IFRS 9 became effective for financial year commencing on or after 1 January 2018 but the standard has not been adopted in preparing these financial statements as the Group elected to adopt the deferral approach available to insurance companies.

IFRS 9 is part of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss.

Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

Classification and Measurement

The standard uses one primary approach to determine whether to measure a financial asset at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) as against the IAS 39 classifications of FVTPL, Available-for-Sale (AFS) financial assets, Loans and Receivables and Held-to-Maturity (HTM) investments. The Group's business model is the determining factor for classifying its financial assets. Financial assets are measured at amortised cost if the business objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest (SPPI). Financial assets are measured at fair value through OCI if the business's objective is to collect contractual cash flows as well as cash flows from selling the asset.

The final category of financial assets are those assets where the business model is neither to hold for solely to collect the contractual cashflows nor selling to collect the cashflows and therfore classified as at fair value through profit or loss. These are financial assets that are held with the objective of trade and to realize fair value changes. The Group can also designate some of its financial assets at fair value through profit or loss if this helps to eliminate an accounting mismatch.

Impairment

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than those incurred as at year-end) are reflected at the date of reporting on all financial assets. This approach is an expected credit loss (ECL) model as opposed to the incurred credit loss model under IAS 39. This approach does not require a credit loss event to have occurred before the recognition of the loss at the reporting date. The amount of the expected credit losses is expected to be updated at each reporting date to reflect changes in credit risks since initial recognition.

ECL is determined by multiplying the Exposure At Default (EAD) by the Probability of Default (PD) and the Loss Given Default (LGD).

The Group and Company do not currently have an Expected Credit Loss (ECL) model for financial assets; hence the potential impact of the ECL impairment on profit or loss and equity has not been estimated. However, it is not expected that the impact would be significant due to the nature of the financial assets in the Group and Company.

Amendments to IFRS 4 *Applying IFRS 9 financial instruments with IFRS 4 insurance contracts*

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 *Financial instruments* and the forth-coming new insurance contracts standard, IFRS 17. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 (i.e.the deferral approach') for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The effective date is 1 January 2018 or when the entity first applies IFRS 9. IFRS 4 (including the amendments) will be superseded by the forth-coming new insurance contracts standard, IFRS 17. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective.

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB issued amendments to IFRS 4 *Insurance Contracts* .

The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise some considerations which require detailed analysis and management judgement.

The optional solutions are:

1. Temporary exemption from IFRS 9 – Some Companies will be permitted to continue to apply IAS 39 *Financial Instruments: Recognition and Measurement* . To qualify for this exemption the company's activities need to be predominantly connected with insurance. A company's activities are predominantly connected with insurance if, and only if:

(a) the amount of its insurance liabilities is significant compared with its total amount of liabilities; and

(b) the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:

(i) greater than 90 percent; or

(ii) less than or equal to 90 percent but greater than 80 percent, and the Company does not engage in a significant activity unconnected with insurance.

Liabilities connected with insurance include investment contracts measured at FVTPL, and liabilities that arise because the insurer issues, or fulfils obligations arising from these contracts (such as deferred tax liabilities arising on its insurance contracts).

2. Overlay approach – This solution provides an overlay approach to alleviate temporary accounting mismatches and volatility. For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

With respect to IFRS 9 above, the Group is eligible to apply IFRS 9 deferral approach since IFRS 9 has not been previously applied by the Group and the activities of the Group are predominantly connected with insurance. To determine if the Group's activities are predominantly connected with insurance, The Group has assessed the ratio of the Group's liabilities connected with insurance - including investment contracts liabilities - compared with it's total liabilities. See the assessment below:

LIABILITIES		AS REPORTED (A)	Admissible for Predominance Test (B)	AS REPORTED (A)	Admissible for Predominance Test (B)
		Group	Group	Company	Company
		31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15
Investment contract liabilities		1,712,048	1,712,048	1,712,048	1,712,048
Insurance contract liabilities		5,619,756	5,619,756	4,862,365	4,862,365
Trade payables		384,017	384,017	331,222	331,222
Other payables and accruals		826,647	-	616,758	-
Current tax liabilities		340,539	-	246,725	-
Employees benefit obligations		7,523	-	7,523	-
Liabilities directly associated with assets classified as held-for-sale		5,497	-	-	-
		8,896,027	**7,715,821**	**7,776,641**	**6,905,635**
		Score = (B/A)%	**86.7%**		**88.8%**

The Group has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:

a) Its activities are predominantly connected with insurance contracts;

b) As at 31 December 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was ₦7.715b (Company: ₦6.91b) which was 86.7% (Company: 88.8%) of the total carrying amount of all its liabilities as at that date.

c) The Group's activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Group earns income and incur expenses are insurance-related.

Based on the above, the Group will apply IFRS 9 together with IFRS 17 in 2023.

Fair value disclosures

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)

The Group's financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

a) Cash and cash equivalents
b) Available-for-sale financial assets (Bonds)
c) Loans and receivables
d) Held-to-Maturity financial assets
e) Trade receivables
f) Reinsurance assets (less prepaid reinsurance and reinsurers' share of outstanding claims and IBNR)
g) Other receivables (only financial receivables)
h) Fair value through profit or loss (Bonds)

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest.

These are financial assets that meet the definition of financial assets designated at fair value through profit or loss in line with IFRS 9; or that are managed and whose performance is evaluated on a fair value basis. These are:

a) Financial assets measured though profit and loss (Investment in MTN shares)
b) Equity securities and Investment funds

3 Significant Account Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

Except for the changes explained in note 2.6, the accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Basis of Consolidation

Business combination and goodwill

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Following the licence approval for Cornerstone Takaful Nigeria Limited (CTNL) and its subsequent commencement of operations as a stand alone Company, the financial position of CNTL has been consolidated and therefore included in the Group statement of financial position as at 31 December 2020.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controllling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non- controlling interests

Non-controlling Interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Insurance contracts

(i) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or ‘investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Group's insurance contract liabilities represent its liability to the policy holders. Liabilities for unpaid claims are estimated on case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate. The liability comprises reserves for unexpired risk, outstanding claims and incurred but not reported claims.

Financial guarantee contracts are recognised as insurance contracts. Liability adequacy testing is performed to ensure that the carrying amount of the liability for financial guarantee contracts is sufficient.

At the end of each accounting period, the insurance contract liability is reflected as determined by the actuarial valuation report.

The Group also insure events associated with human life (for example, death or survival) over a long duration and has short term life insurance contracts which protect the Company's policyholders from the consequences of events (such as death or disability) that would affect the ability of the insured or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary.

A number of insurance and investment contracts contain a Discretionary Participation Feature (DPF). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- That is likely to be a significant portion of the total contractual benefits.
- Whose amount or timing is contractually at the discretion of the Company; and
- That are contractually based on:
  - the performance of a specified pool of contracts or a specified type of contract
  - realised and /or unrealized investment returns on a specified pool of assets held by the Company
  - the profit or loss of the Company, fund or other entity that issues the contract.

Long-term insurance business (i.e. long-term insurance contracts with fixed and guaranteed terms, and long-term insurance contracts without fixed terms and with discretionary participation features -DPF) includes insurance business of all or any of the following classes, namely; life insurance business, superannuation business and business incidental to any such class of business. For contracts with DPF features, the actuary calculates the bonus due to the policy holders and is accounted for as part of the insurance or investment contract liabilities.

Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and include a contract which is subject to the payment of premiums for a term dependent on the termination or continuation of human life and any contract securing the grant of an annuity for a term dependent upon human life.

(ii) Recognition and Measurement of Insurance contracts

Premium

Premium income is recognised on assumption of risks.

Gross written premiums for insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and have been duly certified. Gross written premiums are stated gross of taxes payable and stamp duties that are payable to relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Gross premium income is gross written premiums less changes in unearned premium.

Claims

Claims incurred comprise claims and claims handling expenses incurred during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are charged to profit or loss as incurred.

For long term insurance business, benefits are recorded as an expense when they are incurred. Claims arising on maturing policies are recognized when the claims become due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Adjustments to the amount of claims provisions established in prior years are accounted for prospectively in the financial statements for the period in which the adjustments are made, and disclosed seperately if material.

Claims and loss adjustment expenses are recognised in statement of profit or loss when incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

Salvage and subrogation reimbursement

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (for example salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example subrogation).

Salvaged property is recognized in other assets when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries are included as part of claims recoveries. Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

(iii) Insurance contract liabilities

These represent the Company's liabilities to the policyholders. They comprise the unearned premium, outstanding claims and the incurred but not reported claims. At the end of each reporting period, these liabilities are reflected as determined by an actuarial valuation.

Unearned premium provision

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis. The change in the provision is recorded in the income statement to recognise revenue over the period of the risk.

Reserve for unexpired risk

A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for incurred but not reported claims (IBNR)

A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report from the registered actuary engaged by the Group.

Liability adequacy test

At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is recognised in profit or loss by increasing the carrying amount of the related insurance liabilities.

Actuarial valuation

An actuarial valuation of the insurance contract liabilities is conducted annually to determine the liabilities on the existing policies as at the date of the valuation. Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to profit or loss. See note 48 for further details on actuarial valuation techniques, methodologies, assumptions etc.

3.3 Revenue recognition

(i) Gross premium written

Gross premium written comprises the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. It is recognized at the point of attachment of risk to a policy, gross of commission expense, and before deducting cost of reinsurance cover and unearned portion of the premium. Gross premium written and unearned premiums are measured in accordance with the policies set out in 3.2(ii) of the statement of accounting policies respectively.

(ii) Gross premium income

This represents the earned portion of premium received and is recognized as revenue including changes in unearned premium. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

(iii) Fees and commission income

Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income are recognized as the services are provided.

(iv) Investment income on financial assets

Investment income on financial assets is composed of interest income and dividend income.

Interest income is recognized in profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

(v) Realized gains and losses and unrealized gains and losses

Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(vi) Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income and profit on disposal of property and equipment. Rental income is recognized on an accrual basis. This also includes mudarabah income from the Takaful insurance

3.4 Expense recognition

(i) Claims expenses

Claims expenses consist of claims and claims handling expenses incurred within the reporting period, less the amount recoverable from the reinsurance companies.

(ii) Insurance claims and claims incurred

Gross claims consist benefits and claims paid/payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

(iii) Underwriting expenses

Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to profit or loss as they accrue or become payable.

(iv) Management expenses

Management expenses are recognised in profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

3.5 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the definition requirements for insurance contracts are reclassified as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer are covered as insurance contracts.

Reinsurance assets and liabilities

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts. Reinsurance liabilities are primarily premiums payable for the reinsurance contracts and are recognized as an expense when due.

Reinsurance expense

Reinsurance expense represents outward reinsurance premiums and are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

Prepaid reinsurance premiums

Prepaid reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Insurance claims recoverable from reinsurance companies

Insurance claims recoverables from reinsurance companies are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's polices and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Company reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in profit or loss as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

3.6 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are termed investment contract liabilities and are initially measured at fair value and subsequently at amortised cost.

Finance cost on investment contract liabilities is recognised as an expense in profit or loss using the effective interest rate.

3.7 Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which has not expired at the reporting date, are deferred by recognizing an asset. Acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses.

Deferred acquisition costs are amortised systematically over the life of the contracts at each reporting date.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank and call deposits and other short-term highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and used by the Group to manage its short term commitments. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

3.9 Financial Instruments

Classification

The classification of the Group's financial assets depends on the nature and purpose of the financial assets and are determined at the time of initial recognition. The financial assets have been recognised in the statement of financial position and measured in accordance with their assigned classifications.

The Group classifies its financial assets into the following categories:

- financial assets at fair value through profit or loss (FVTPL);
- held-to-maturity financial assets; and
- loans and receivables.
- available-for-sale financial assets

The Group's financial liabilities are classified as other financial liabilities. They include trade and other payables.

Initial recognition

All financial instruments are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified as fair value through profit and loss.

Subsequent Measurement

Subsequent to initial recognition, financial assets are measured either at fair value or amortised cost, depending on their categorization as follows:

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial asset at fair value through profit or loss are measured at fair value and changes therein, including any interest expense or dividend income, are recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity financial assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Held-to-maturity financial assets are carried at amortised cost using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for- sale and this prevents the Group from classifying investment securities as held-to-maturity for the current and the following two financial years.

However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset's fair value.
- Sales or reclassification after the Group has collected substantially all the asset's original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

Loans and receivables

Loans and receivables on the statement of financial position comprise trade receivables and other receivables.

Loans and receivables, after initial measurement, are measured at amortized cost, using the effective interest rate method less any impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

When the asset is impaired, the impairment losses are carried on the statement of financial position as a deduction from the carrying amount of the loans and receivables and recognized in profit or loss as impairment losses.

Available-for-sale financial assets

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss.

Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired where upon the cumulative gains and losses previously recognised in other comprehensive income are recognised to profit or loss as a reclassification adjustment. As at the reporting date, the Group's investment in quoted equities are classified as available for sale financial assets except for investment in MTN Nigeria which is classified as fair value through profit or loss.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses a valuation technique that maximises the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. lf the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk and managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

Identification and measurement of impairment

At each reporting date, the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably. The Group considers evidence of impairment for loans and receivables and held-to-maturity investments individually and collectively. Assets showing signs of deterioration are assessed for individual impairment. All individually significant loans and receivables and held-to maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the carrying amount and current fair value out of equity to profit or loss. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit and loss, the impairment loss is reversed, with the amount of the reversal recognised in profit and loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income. The Group writes off certain loans and receivables when they are determined to be uncollectible.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions.

De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On de-recognition of the financial assets, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit and loss. The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

3.10 Trade receivables

Trade receivables comprise premium receivables. Premium receivables are those for which credit notes issued by brokers are within 30 days after the reporting date, in conformity with the "NO PREMIUM, NO COVER" NAICOM policy.

3.11 Foreign currency transactions

Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date. Foreign currency differences are generally recognised in profit or loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.12 Trade and other payables

Trade payables

Trade payables are recognized when due. These include amounts due to agents, reinsurers and co-assurers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied.

Accruals and other payables

Other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied.

3.13 Other receivables and prepayments

Other receivables principally consist of accrued income, intercompany receivable and sundry debtors. Prepayments are essentially prepaid rents, prepaid insurance and other prepaid balances. Other receivables are measured at amortised cost.

3.14 Investment properties

Investment properties are properties held to earn rentals or for capital appreciation (including property under construction for such) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Investment properties are measured initially at cost plus any directly attributable expenses.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values of the investment properties are evaluated and assessed annually by an accredited external valuer.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period of de-recognition. The carrying amount of the asset represents the fair value of the asset as at the date of the latest valuation before disposal.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

3.15 Investment in joint venture

A joint venture is an arrangement in which the Group has joint control as well as rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which the joint control ceases. The Group evaluates its investment in joint venture in line with the provisions of IFRS11 - Joint Venture.

3.16 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment.When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

Depreciation is calculated over their estimated useful lives at the following rates:

Land	Not depreciated
Leasehold improvements	Over the shorter of the useful life of the item or the lease period
Office equipments	4 years
Furniture and fittings	5 years
Computer equipment	4 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell or the value in use.

3.17 Intangible assets

Computer software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. Amortisation method, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition is included in profit ot loss in the year the asset is derecognised.

3.18 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.19 Income and deferred tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date. Current tax also includes any tax arising from dividends.

Minimum tax

The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.5% of the Company's gross premium. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

3.20 Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act 2003. The deposits are only available as a last resort to the Group if it goes into liquidation. Statutory deposits are measured at amortised cost.

3.21 Hypothecation of assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policyholders’ assets and funds are not co-mingled with shareholders'.

In particular, investment securities and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders.

3.22 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

3.23 Employee benefits

Short-term employee benefits/Personnel expenses

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Group contributes to a defined contribution pension scheme for its employees. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit and loss account on an annual basis. The employee and the Group contribute 8% and 10% respectively of basic salary, housing, and transport allowance to each employee's retirement savings account maintained with their nominated Pension Fund Administrators.

3.24 Earnings/loss per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted number of ordinary shares adjusted for any bonus shares issued.

3.25 Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of office spaces and plant and machinery with shorter non-cancellable period (i.e., three to five years) where this is expressly stated in the lease contract or enforceable at law per the lease contract. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on its operation if a replacement asset is not readily available. The renewal periods for leases of office spaces are not included as part of the lease term as these are not reasonably certain to be exercised.

Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

3.26 Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Group that are regularly reviewed by the Chief Executive who allocates resources to the segment and assesses their performance thereof.

The Group's reportable segments, for management purpose, are organized into business units based on the products and services offered as follows:

- Non-life insurance
- Life insurance
- Takaful insurance
- Fin Insurance
- Leasing

3.27 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability may crystallize.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are never recognised but are disclosed in the financial statements when they arise.

3.28 Share capital and other reserves

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any of the Group entities purchases the Company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company’s equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

Treasury shares

Own equity instruments which are acquired (treasury shares) are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration is recognised in other capital reserves. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Retained earnings/Accumulated losses

Retained earnings/Accumulated losses comprises undistributed profit/(loss) from previous years and the current year. Retained earnings/Accumulated losses is classified as part of equity in the statement of financial position.

Contingency reserve

The Nigerian Insurance regulations require the Group to make an annual appropriation to a statutory reserve. As stipulated by section 21(1) of Insurance Act 2003, the contingency reserve for Non-life insurance business is credited with the greater of 3% of total premium, or 20% of the net profits. This shall accumulate until it reaches the greater of minimum paid-up capital and 50% percent of the net premium. For life business, the contigency reserve is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of mimimum paid-up capital.

AFS fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

Consolidated and Separate Statement of Financial Position
As at 30 June, 2021

	Notes	Group 6 Months Jun-21 N'000	Group 12 Months Dec- 2020 N'000	Company 6 Months Jun-21 N'000	Company 12 Months Dec- 2020 N'000
ASSETS					
Cash and cash Equivalents	6	13,132,986	11,662,703	8,813,533	8,175,263
Financial Assets	7	16,822,390	18,402,727	12,754,325	14,065,366
Trade receivable	8	387,529	154,580	281,987	108,675
Other receivables and prepayments	9	474,327	612,223	781,403	789,100
Reinsurance assets	10	9,886,935	7,719,422	8,961,008	7,197,096
Deferred acquisition cost	11	753,937	567,596	574,438	466,196
Investment in Joint venture	12	271,296	271,295	137,739	137,738
Investment in subsidiaries	13	-	-	3,620,847	3,620,847
Investment property	14	602,000	602,000	-	-
Property, plant and equipment	15	1,906,879	1,780,019	651,414	570,093
Intangible assets	16	14,333	17,649	8,070	13,500
Deferred tax assets	23(d)	798,855	838,000	837,997	838,000
Statutory deposits	17	1,200,000	1,200,000	500,000	500,000
Total Assets		**46,251,467**	**43,828,214**	**37,922,761**	**36,481,875**
Liabilities:					
Investment contract liabilities	18	3,671,975	3,674,861	3,223,858	3,226,593
Insurance contract liabilities	19	20,699,955	18,746,225	18,512,433	17,203,861
Trade payables	20	1,945,631	1,619,693	1,725,046	1,403,882
Other payables and accruals	21	920,430	842,765	589,095	676,316
Deferred commission income	22	1,013,100	770,626	922,500	704,472
Current tax liabilities	23(a)	338,847	445,799	268,921	276,964
Deferred tax liabilities	23(d)	-	-	-	-
Employees retirement benefit obligations	24	3,360	3,793	1,336	1,769
Total Liabilities		**28,593,298**	**26,103,762**	**25,243,189**	**23,493,856**
EQUITY & LIABILITIES					
Share capital & reserves:					
Ordinary share capital	26(a)	9,083,197	9,083,196	9,083,197	9,083,196
Share premium	26(b)	183,165	183,165	183,165	183,165
Treasury shares	26(c)	(61,430)	(58,440)	(61,430)	(58,440)
Accumulated losses	26(d)	3,623,182	3,101,415	(90,767)	(431,800)
Contingency reserve	26(e)	4,291,968	4,017,271	3,521,803	3,305,027
AFS Fair value reserve	26(f)	267,609	1,132,194	43,604	906,871
Equity attributable to owners of the company		**17,387,691**	**17,458,802**	**12,679,572**	**12,988,019**
Non Controlling interest(NCI)	26g	270,477	265,650	-	-
Total Equity		**17,658,168**	**17,724,452**	**12,679,572**	**12,988,019**
Total Equity & Liabilities		**46,251,467**	**43,828,214**	**37,922,761**	**36,481,875**

These financial statements were approved by the Board on 27th July, 2021 and signed on its behalf by:

Kehinde Olorundare
Chief Financial Officer
FRC/2013/ICAN/00000000731

Ganiyu Musa
Group Managing Director
FRC/2013/ICAN/00000003110

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive income for the period ended 30 June 2021

	Notes	Jun-21 Group N'000	Jun-20 Group N'000	Jun-21 Company N'000	Jun-20 Company N'000
Gross Premium Written	27(a)	**10,767,227**	**8,041,662**	**9,233,405**	**7,177,273**
Change in unearned premium	27(b)	(962,902)	(1,275,602)	(589,701)	(1,024,876)
Gross Premium Earned		**9,804,326**	**6,766,060**	**8,643,704**	**6,152,397**
Changes in life fund	27(c)	(542,222)	-	(542,222)	-
Changes in annuity life fund	27(d)	765,166	(648,925)	765,166	(648,925)
Reinsurance Expenses	27(e)	(5,075,014)	(3,661,469)	(4,532,011)	(3,377,740)
Net Premium Earned		**4,952,255**	**2,455,667**	**4,334,636**	**2,125,732**
Fees and commission income	28	1,141,849	696,960	1,015,148	631,270
Net underwriting income		**6,094,105**	**3,152,627**	**5,349,785**	**2,757,003**
Claims Expenses:					
Gross Claims Paid	29	(2,283,220)	(2,076,231)	(2,101,213)	(1,876,575)
Annuity Pay Out	29	(181,813)	(118,456)	(181,813)	(118,456)
Movement in Outstanding claims	29	(1,316,245)	(1,668,838)	(941,811)	(1,527,802)
Insurance claims recoverable from reinsurance Companies	29	1,759,208	2,193,323	1,456,248	2,105,450
Net Claims expenses		**(2,022,069)**	**(1,670,202)**	**(1,768,589)**	**(1,417,384)**
Acquisition cost	30(a)	(1,178,333)	(779,548)	(992,475)	(687,469)
Maintenance cost	30(b)	(373,309)	(193,470)	(316,583)	(154,989)
Net Underwriting expenses		**(1,551,642)**	**(973,019)**	**(1,309,058)**	**(842,458)**
Underwriting result		**2,520,394**	**509,406**	**2,272,138**	**497,161**
Investment income on financial assets	31	855,741	810,554	619,401	633,595
Fair value changes in financial assets - FVTPL	32	(1,109,371)	455,911	(1,109,371)	455,911
Net exchange gain	33(a)	312,377	688,273	155,584	360,877
Operating income	34	1,445	110,685	31	110,626
Personnel expenses	36	(931,646)	(880,251)	(696,957)	(700,718)
Depreciation	15	(105,513)	(90,298)	(83,926)	(62,997)
Amortisation	16	(6,799)	(9,103)	(5,728)	(9,103)
Other operating expenses	37	(674,761)	(451,756)	(547,295)	(358,411)
Finance cost	38	(28,076)	(42,577)	(16,710)	(21,845)
Profit/(loss) before tax		**833,790**	**1,100,844**	**587,168**	**905,095**
Income tax expense	23(b)	(37,326)	(100,297)	(29,358)	(90,510)
Profit/(Loss) for the year		**796,463**	**1,000,547**	**557,810**	**814,585**
Attributable to shareholders		791,437	994,373	557,810	814,586
Attributable to non-controlling interest holders		5,026	6,174	-	-
		796,463	**1,000,547**	**557,810**	**814,586**
Other Comprehensive income, net of tax					
Items within OCI that may be reclassified to profit or loss		-		-	
Fair value changes on available-for-sale securities	32(b)	(864,585)	707,598	(863,267)	645,642
		(864,585)	707,598	(863,267)	645,642
Other Comprehensive Income, net of taxes		(864,585)	707,598	(863,267)	645,642
Total Comprehensive Income for the year		**(68,122)**	**1,708,145**	**(305,458)**	**1,460,228**
Attributable to shareholders		(72,949)	1,699,914	(305,458)	1,460,228
Attributable to non-controlling interest		4,827	8,231	-	-
		(68,122)	**1,708,145**	**(305,458)**	**1,460,228**

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive income from 1 April to 30 June 2021

	April - June 2021 Group N'000	April - June 2020 Group N'000	April - June 2021 Company N'000	April - June 2020 Company N'000
Gross Premium Written	4,943,074	3,466,577	4,060,843	2,945,576
Change in unearned premium	(708,566)	(282,198)	(392,710)	(48,918)
Gross Premium Earned	4,234,508	3,184,378	3,668,133	2,896,658
Changes in life fund	(548,976)		(548,976)	
Changes in annuity life fund	755,278	(370,337)	755,278	(370,337)
Reinsurance Expenses	(2,304,710)	(1,783,055)	(2,056,471)	(1,660,806)
Net Premium Earned	**2,136,100**	**1,030,986**	**1,817,963**	**865,514**
	-		-	
Fees and commission income	468,043	358,189	418,693	328,074
Net underwriting income	**2,604,142**	**1,389,176**	**2,236,657**	**1,193,589**
Claims Expenses:				
Gross Claims Paid	(982,908)	(450,465)	(902,647)	(350,361)
Annuity Pay Out	(91,400)	(60,534)	(91,400)	(60,534)
Movement in Ounstanding claims	(1,389,560)	(1,315,940)	(1,146,865)	(1,355,425)
Insurance claims recoverable from reinsurance Companies	1,627,809	1,172,363	1,407,516	1,176,897
Net Claims expenses	**(836,060)**	**(654,577)**	**(733,396)**	**(589,423)**
Acquisition cost	(551,382)	(371,049)	(451,444)	(322,416)
Maintenance cost	(184,936)	(77,443)	(146,535)	(55,723)
Net Underwriting expenses	**(736,318)**	**(448,492)**	**(597,979)**	**(378,139)**
Underwriting result	**1,031,765**	**286,107**	**905,282**	**226,027**
Investment income on financial assets	524,724	504,933	400,887	394,233
Fair value changes in financial assets - FVTPL	(779,803)	289,282	(779,803)	289,282
Net exchange gain	133,647	165,603	81,208	104,679
Operating income	316	53,591	31	54,828
Personnel expenses	(333,399)	(431,573)	(216,982)	(352,655)
Depreciation	(49,331)	(43,109)	(35,779)	(29,960)
Amortisation	(5,700)	(4,529)	(4,629)	(4,529)
Other operating expenses	(360,091)	(217,377)	(294,984)	(176,808)
Finance cost	(16,595)	(23,478)	(10,705)	(4,132)
Profit/(loss) before tax	145,533	579,451	44,527	500,964
Income tax expense	(7,221)	(54,021)	(2,226)	(50,096)
Profit/(Loss) for the year	**138,312**	**525,430**	**42,300**	**450,867**
Attributable to shareholders	135,161	519,256	42,301	450,867
Attributable to non-controlling interest holders	3,151	6,174	-	
	138,312	**525,430**	**42,301**	**450,867**
Other Comprehensive income, net of tax				
Items within OCI that may be reclassified to profit or loss	-	-	-	-
Fair value changes on available-for-sale securities	(852,966)	949,490	(866,381)	738,508
	(852,966)	949,490	(866,381)	738,508
Other Comprehensive Income, net of taxes	(852,966)	949,490	(866,381)	738,508
Total Comprehensive Income for the year	**(714,654)**	**1,474,920**	**(824,080)**	**1,189,376**
Attributable to shareholders	(718,171)	1,466,689	(824,080)	1,189,376
Attributable to non-controlling interest	3,517	8,231	-	-
	(714,654)	**1,474,920**	**(824,080)**	**1,189,376**

Statement of Cash Flows for the period ended 30 June, 2021

	Note	30-Jun-21 Group N'000	30-Jun-20 Group N'000	30-Jun-21 Company N'000	30-Jun-20 Company N'000
Operating activities					
Insurance premium received	39(i)	10,534,278	7,812,000	9,060,093	6,976,928
Deposit liabilities -contribution during the year	18	911,637	686,500	772,392	686,500
Deposit liabilities -Withdrawal during the year	18	(903,943)	(699,716)	(801,970)	(699,716)
Reinsurance premium paid	39(iii)	(5,736,855)	(3,411,870)	(5,018,965)	(3,104,420)
Reinsurance commission received	28	1,141,849	696,960	1,015,148	631,270
Insurance benefits and claims paid	29	(2,465,032)	(2,194,687)	(2,283,026)	(1,995,032)
Reinsurance claims received	29	1,759,208	1,940,323	1,456,248	1,852,450
Commission paid	30(a)	(1,362,968)	(888,928)	(1,100,717)	(728,108)
Maintenance cost paid	30(b)	(373,309)	(193,470)	(316,583)	(154,989)
Other operating cashflow		(1,471,758)	(693,300)	(1,440,325)	(841,610)
		2,033,106	3,053,812	1,342,295	2,623,274
Net cash used in operating activities		2,033,106	3,053,812	1,342,295	2,623,274
			3,053,812		2,623,274
Cash flows from investing activities:					
Additions to intangible assets	16	(3,006)	(704)	(298)	(704)
Proceeds from sale of property and equipment	39(ii)	-	3,488	-	3,464
Purchase of property and equipment	15	(232,373)	(77,302)	(165,247)	(64,905)
Financial assets Purchase during the year		(1,141,172)	(5,107,774)	(1,141,172)	(4,023,570)
Dividends received	31(b)	142,398	167,294	117,860	132,690
Interest received	31(b)	699,406	640,760	501,542	500,905
Net cash generated from/ used provided by investing activities		(534,746)	(4,374,239)	(687,315)	(3,452,120)
Cash flows from financing activities:					
Finance cost	38	(28,076)	(42,577)	(16,710)	(21,845)
Net Increase/ (decrease) in cash and cash equivalents		1,470,283	(1,363,004)	638,270	(850,691)
Cash and cash equivalents at beginning of year		11,662,703	12,649,384	8,175,263	8,193,360
Cash and cash equivalents at end of year		13,132,986	11,286,380	8,813,533	7,342,669

Consolidated and Separate Statement of Financial Position

Statement of Changes in Equity
for the period ended 30 June 2021

Group

	Share Capital	Share Premium	Accumulated losses	Treasury shares	Contingency Reserve	AFS Fair Value Reserve	Revaluation reserve	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2021	9,083,197	183,165	3,101,415	(58,440)	4,017,271	1,132,194	-	17,458,802	265,650	**17,724,452**
Total comprehensive income for the year								**-**		**-**
Profit for the year		-	796,463		-			**796,463**	4,827	**801,291**
Fair value changes on AFS securities						(864,585)		**(864,585)**		**(864,585)**
Addition to treasury shares	-	-		(2,990)				**(2,989)**		**(2,989)**
Changes in fair value of AFS Investments	-	-						-		**-**
Total Comprehensive Income for the year	**-**	**-**	**796,463**	**(2,990)**	**-**	**(864,585)**	**-**	**(71,111)**	**4,827**	**(66,284)**
Transfer to Contingency Reserve			(274,696)		274,696			-		**-**
Total contributions by and distributions to equity holders	-	-	(274,696)	-	274,696	-	-	- **-**	-	-
Balance as at 30 June 2021	**9,083,197**	**183,165**	**3,623,182**	**(61,430)**	**4,291,968**	**267,609**	**-**	**17,387,691**	**270,477**	**17,658,168**

Statement of Changes in Equity
for the year ended 31 December 2020

Group

	Share Capital	Share Premium	Accumulated losses	Treasury shares	Contingency Reserve	AFS Fair Value Reserve	Revaluation reserve	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2020	7,364,754	1,947,166	1,392,250	(48,175)	3,545,360	426,306	-	14,627,661	250,715	**14,878,376**
Total comprehensive income for the year										
Profit for the year		-	2,181,077		-			**2,181,077**	13,780	2,194,857
Fair value changes on AFS securities	-	-	-	-	-	705,888		**705,888**	1,155	707,043
Total Comprehensive Income for the year	**-**	**-**	**2,181,077**	**-**	**-**	**705,888**	**-**	**2,886,965**	**14,935**	**2,901,900**
Share issuing cost	1,718,443	(1,764,002)						(45,559)		(45,559)
Addition to treasury shares				(10,265)				(10,265)		(10,265)
Transfer to Contingency Reserve	-	-	(471,911)	-	471,911	-	-	-	-	-
Total contributions by and distributions to equity holders	1,718,443	(1,764,002)	(471,911)	(10,265)	471,911	-	-	**(55,824)**	-	(55,824)
Balance as at 31 December 2020	**9,083,197**	**183,165**	**3,101,415**	**(58,440)**	**4,017,271**	**1,132,194**	**-**	**17,458,802**	**265,650**	**17,724,452**

Statement of Changes in Equity
for the period ended 30 June 2021

Company

	Share Capital	Share Premium	Accumulated losses	Treasury shares	Contingency Reserve	AFS Fair Value Reserve	Revaluation reserve	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2021	**9,083,196**	**183,165**	**(431,800)**	**(58,440)**	**3,305,027**	**906,871**	**-**	**12,988,019**	-	**12,988,019**
Total comprehensive income for the year										
Profit/(Loss) for the year	-	-	557,810		-			557,810		557,810
Fair value changes on AFS securities						(863,267)		(863,267)		(863,267)
	-	-		(2,990)	-			(2,989)		(2,989)
Total Comprehensive Income for the year	-	-	557,810	(2,990)	-	(863,267)	-	(308,446)	-	(308,446)
Transfer to Contingency Reserve	-	-	(216,776)		216,776			-		**-**
Total contributions by and distributions to equity holders	-	-	(216,776)	-	216,776	-	-	-	-	**-**
Balance as at 30 June 2021	**9,083,197**	**183,165**	**(90,766)**	**(61,430)**	**3,521,803**	**43,604**	**-**	**12,679,573**	**-**	**12,679,573**

Statement of Changes in Equity
for the year ended 31 December 2020

Company

	Share Capital	Share Premium	Accumulated losses	Treasury shares	Contingency Reserve	AFS Fair Value Reserve	Revaluation reserve	Shareholders' Equity	Non Controlling Interest	Total
As at 1 January 2020	7,364,754	1,947,166	(1,844,004)	(48,175)	2,942,312	234,622	-	**10,596,675**	-	10,596,675
								-		-
Total comprehensive income for the year										
Profit for the year	**-**	**-**	1,774,919		-			**1,774,919**		1,774,919
Fair value changes on AFS securities						672,249		**672,249**		672,249
Total Comprehensive Income for the year	**-**	**-**	**1,774,919**	**-**	**-**	**672,249.00**	**-**	**2,447,168.48**	**-**	**2,447,168.48**
Bonus issues transferred from Share Premium	1,718,442	(1,718,442)						**-**		-
Share issue cost		(45,560)						**(45,560)**		(45,560)
Addition to treasury shares				(10,265)				**(10,265)**		(10,265)
Transfer to Contingency Reserve	-	-	(362,715)		362,715			-		-
Total contributions by and distributions to equity holders	1,718,442	(1,764,002)	(362,715)	(10,265)	362,715	-	-	(55,825)	-	(55,825)
										-
Balance as at 31 December 2020	**9,083,196**	**183,165**	**(431,800)**	**(58,440)**	**3,305,027**	**906,871**	**-**	**12,988,019**	**-**	**12,988,019**

CORNERSTONE INSURANCE PLC

General Business Company revenue account

For the period ended 30 June 2021

	Motor	Fire	General Accident	Marine and Aviation	Bond	Engineering	Oil and Gas	Total 2021	Total 2020
	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	₦' 000	N' 000	N' 000
Income									
Direct premium	833,015	904,968	545,585	1,080,110	7,895	1,402,576	1,423,082	6,197,230	3,937,010
Inward premium	21,513	(1,404)	709	3,714	-	355	-	24,887	10,284
Gross premium written	**854,528**	**903,564**	**546,294**	**1,083,824**	**7,895**	**1,402,931**	**1,423,082**	**6,222,118**	**3,947,293**
Increase/(decrease) in unearned premium	(55,723)	(142,544)	(170,862)	(136,135)	(748)	18,964	(102,654)	(589,701)	180,207
Gross premium earned	**798,805**	**761,020**	**375,433**	**947,690**	**7,147**	**1,421,895**	**1,320,427**	**5,632,417**	**4,127,501**
Outward reinsurance premium	(27,979)	(521,960)	(102,580)	(684,516)	(6,470)	(1,331,962)	(1,036,321)	(3,711,787)	(2,254,030)
Increase/(decrease) in unexpired reinsurance cost	5,503	93,832	25,673	43,098	1,489	351,580	(62,779)	458,396	(333,440)
Reinsurance cost	(22,476)	(428,128)	(76,907)	(641,418)	(4,981)	(980,382)	(1,099,100)	(3,253,391)	(2,587,471)
Net premium earned	776,329	332,893	298,526	306,272	2,166	441,513	221,328	2,379,025	1,540,030
Commision earned	3,732	110,326	23,308	62,768	919	240,560	88,635	530,247	344,124
Net Underwriting Income	**780,060**	**443,219**	**321,833**	**369,040**	**3,085**	**682,073**	**309,962**	**2,909,272**	1,884,154
Expenses									
Gross Claims paid	(401,769)	(240,614)	(188,734)	(27,667)	-	(21,723)	(268,249)	(1,148,755)	(1,017,243)
Increase/(Decrease) in outstanding claims provision	(18,211)	(1,559,609)	55,081	268,904	(3,710)	17,040	56,382	(1,184,123)	(1,717,153)
Gross claims incurred	(419,980)	(1,800,223)	(133,653)	241,237	(3,710)	(4,683)	(211,867)	(2,332,879)	(2,734,396)
Reinsurance claims recoveries	(11,233)	1,660,741	(150,462)	(242,683)	-	(32,263)	(43,353)	1,180,747	1,861,582
Net claims incurred	**(431,212)**	**(139,482)**	**(284,116)**	**(1,446)**	**(3,710)**	**(36,946)**	**(255,220)**	**(1,152,132)**	**(872,814)**
Aquisition cost	(74,516)	(92,179)	(84,580)	(125,247)	(1,154)	(239,146)	(53,157)	(669,979)	(433,516)
Maintenance cost	(42,798)	(45,254)	(27,360)	(54,282)	(395)	(70,264)	(71,273)	(311,627)	(147,050)
Underwriting expenses	(117,314)	(137,433)	(111,941)	(179,529)	(1,549)	(309,410)	(124,431)	(981,606)	(580,565)
Total Expenses	**(548,526)**	**(276,915)**	**(396,056)**	**(180,975)**	**(5,259)**	**(346,356)**	**(379,651)**	**(2,133,738)**	**(1,453,380)**
Underwriting profit/(loss)	**231,534**	**166,304**	**(74,223)**	**188,065**	**(2,174)**	**335,717**	**(69,688)**	**775,535**	**430,774**

Life Business
Revenue Account
For the period ended 30 June 2021

Income	Individual Life N' 000	Group Life N' 000	Annuity N' 000	2021 Total N' 000	2020 Total N' 000
Gross premium Income	81,326	2,723,281	206,680	3,011,287	3,125,974
Unearned premium		(542,222)	765,166	222,943	(1,869,547)
Net Premium	81,326	2,181,059	971,845	3,234,230	1,256,427
Reinsurance cost	(14,042)	(1,264,579)	-	(1,278,621)	(771,775)
Premium retained	67,284	916,480	971,845	1,955,610	484,652
Investment Income	201,585	-	245,626	447,211	349,461
Fairvalue gains/(loss) on Annuity Bonds	-	-		-	409,432
Fee and Commission received	2,808	417,346	-	420,155	275,685
	271,677	1,333,827	1,217,471	2,822,975	1,519,230
Gross claims paid	-	(952,458)	-	(952,458)	(660,862)
Increase/(Decrease) in outstanding claims provision	-	242,312		242,312	
Annuity pay-out	-	-	(181,813)	(181,813)	(118,456)
Less: reinsurance recoveries	-	275,492	-	275,492	243,580
Net claims incurred	-	(434,654)	(181,813)	(616,466)	(535,739)
Underwriting expenses	(9,631)	(227,877)	(6,459)	(243,967)	(207,549)
Underwriting profit	**262,046**	**671,296**	**1,029,199**	**1,962,542**	**775,943**

Life Deposit Administration Revenue Account
For the period ended 30 June 2021

In thousands of naira	**2021**	**2020**
Fees and commission income	64,746	9,798
Interest income		25,953
Expenses		
Acquisition and maintenance cost	(39,485)	(31,719)
Guaranteed interest	(44,000)	
leposit administration / investment contracts	(18,738)	4,032

6 Cash and cash equivalents

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Cash	18,550	813	18,147	467
Balances with banks	2,700,591	3,483,133	2,296,324	1,969,187
Short-term deposits	10,413,844	8,178,757	6,499,062	6,205,609
	13,132,986	**11,662,703**	**8,813,533**	**8,175,263**
Current	13,132,986	11,662,703	8,813,533	8,175,263
Non-current	-	-	-	-
	13,132,986	**11,662,703**	**8,813,533**	**8,175,263**

7 Financial assets

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Available-for-sale (AFS) financial assets (see note (a) below)	6,748,759	7,226,470	5,169,849	5,975,537
Financial assets at fair value through profit or loss (FVTPL) (see note (b) below)	7,000,319	7,206,517	7,000,319	7,171,687
Loans and receivables (see note (c) below)	294,712	288,274	294,712	288,274
Held-to-maturity investments (see note (d) below)	2,778,600	3,681,466	289,444	629,868
	16,822,390	**18,402,727**	**12,754,325**	**14,065,366**

(a) **Available-for-sale (AFS) financial assets** -

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Quoted equity securities measured at fair value	1,353,862	1,336,291	812,135	776,906
Unquoted equity securities measured at fair value	-	-	-	-
Unquoted equity securities measured at cost	96,819	87,500	96,819	87,500
Investment in funds measured at fair value	199,488	-	-	-
Investment in MTN shares	33,620	-	0	-
Investment in CAPIC funds measured at cost	1,014,750	1,823,500	1,014,750	1,823,500
Investment in insurance pool	108,743	94,720	108,743	94,720
Bonds measured at fair value	3,941,477	4,719,144	3,137,402	4,027,596
	6,748,759	8,061,155	5,169,849	6,810,222
Impairment of CAPIC fund		(834,685)		(834,685)
	6,748,759	**7,226,470**	**5,169,849**	**5,975,537**

(b) **Financial assets at fair value through profit or loss (FVTPL)**

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Bonds measured at fair value	4,418,925	4,497,425	4,418,925	4,497,425
Investment in MTN ordinary shares	2,581,395	2,709,092	2,581,395	2,674,262
	7,000,319	7,206,517	7,000,319	7,171,687

(C) **Loan and receivables**

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Loans to policyholders (see note (i) below)	294,712	297,107	294,712	297,107
Advances and LPO financing		-		-
	294,712	297,107	294,712	297,107
Allowance for impairment	-	(8,833)	-	(8,833)
	294,712	**288,274**	**294,712**	**288,274**

(d) **Held-to-maturiy-Financial assets**

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Bonds	2,489,156	1,257,700	-	-
Treasury bills	289,444	-	289,444	-
Long term deposit	-	2,423,766	-	629,868
MTN notes				
	2,778,600	**3,681,466**	**289,444**	**629,868**

8 Trade Recievable

(a) Trade receivables comprise :

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Due from brokers, agents and other insurance companies	1,702,870	1,469,921	1,405,735	1,232,423
Due from direct customers				-
	1,702,870	1,469,921	1,405,735	1,232,423
Allowance for impairment (see note (c) below)	(1,315,341)	(1,315,341)	(1,123,748)	(1,123,748)
	387,529	**154,580**	**281,987**	**108,675**
Current	387,529	154,580	281,987	108,675
Non-current		-		-
	387,529	154,580	281,987	108,675

(b) The age analysis of gross insurance trade receivables as at year end is as follows

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Within 30 days	387,529	154,580	281,987	108,675
More than 30 days	1,315,341	1,315,341	1,123,748	1,123,748
	1,702,870	1,469,921	1,405,735	1,232,423

© The movement in allowance for impairment of trade receivables is as follows:

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Opening balance	1,315,341	1,319,465	1,123,748	1,127,872
Charge/(reversal) during the year	0	(4,124)	(0)	(4,124)
	1,315,341	1,315,341	1,123,748	1,123,748

All insurance receivables are designated as trade receivables and their carrying value approximate value at the statement of financial position date .

9 **Other receivables and prepayments**

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Non-financial				
Prepaid rent	26,092	-	-	-
Prepaid insurance	30,607	40,134	30,607	40,134
Witholding tax receivable		959		-
Stock of stationery	5,496	5,496	5,496	5,496
VAT control	295,116	235,250	296,471	235,250
Prepaid housing allowance		74,433		55,341
Subscription		139,993		139,993
Other prepaid balances (see note (a) below)	154,466	49,188	121,455	12,513
	511,777	545,453	454,029	488,727
Financial				
Due from subsidiaries	-	-	244,582	245,888
Intercompany	-		319,956	-
Witholding tax receivable	959	-	-	-
Dividend receivable	(45)	9,833	(45)	-
Receivable from Meristem	9,312	9,312	9,312	9,312
Due from staff	53,540	28,910	30,561	26,124
Receivables from policyholders (see note (a) below)				
Other receivables (see note © below)	106,965	423,539	59,127	386,550
Receivable from CPCL	16	-	16	-
Insurance recoverable	34,584	3,221	34,584	3,221
	205,330	474,815	698,094	671,095
Total other receivables and prepayment	717,107	1,020,268	1,152,123	1,159,822
Allowance for impairment (see note © below)	(242,780)	(408,044)	(370,720)	(370,721)
	474,327	612,223	781,403	789,101

9a Other prepaid balances comprise staff housing allowance paid in advance, Information technology advance payments and other advance payments.

10 **Reinsurance assets**

In thousands of naira	**Group 6 Months Jun-21**	**Group 12 Months Dec- 2020**	**Company 6 Months Jun-21**	**Company 12 Months Dec- 2020**
Prepaid reinsurance - Minimum & Deposit			-	
Prepaid reinsurance	4,630,239	3,688,557	4,171,035	3,362,916
Prepaid reinsurance - Non-life (see note (i) below)	3,587,549	2,995,591	3,142,334	2,683,937
Prepaid reinsurance - Life (see note (i) below)	1,017,546	667,822	1,017,546	667,824
Additional Unexpired Risk Reserve (AURR)-Life				
Additional Unexpired Risk Reserve (AURR)- Non-Life	25,144	25,144	11,155	11,155
Reinsurers' share of outstanding claims - Non-life (see note (ii) below)	3,905,708	2,741,250	3,520,100	2,576,541
Reinsurers' share of outstanding claims - Life (see note (iii) below)	212,979	371,603	212,979	371,603
Reinsurers' share of Incurred but not reported - Non-life (see note (iv) below)	821,555	805,128	767,400	780,412
Reinsurers' share of Incurred but not reported - Life (see note (v) below)	105,624	105,624	105,624	105,624
Reinsurers' share of claims paid - receivable - Non-life (see note (vi) below)	491,174	497,233	497,233	497,233
Reinsurers' share of claims paid - receivable - Takaful	56,801	7,260	-	-
Reinsurers' share of claims paid - receivable - Life (see note (vii) below)	183,872	-	183,872	-
	10,407,952	8,216,655	9,458,241	7,694,329
Allowance for impairment (see note (ii) below)	(521,017)	(497,233)	(497,233)	(497,233)
	9,886,935	**7,719,422**	**8,961,008**	**7,197,096**

11 Deferred Acquisition Cost

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	569,222	257,866	466,196	219,592
Derecognition of Takaful portion				(9,197)
Acquisition cost paid during the year	1,362,968	2,019,042	1,100,717	1,702,809
Total acquisition cost	1,932,191	2,276,908	1,566,913	1,913,204
Amortisation during the year	(1,178,333)	(1,707,686)	(992,475)	(1,447,008)
	753,937	**567,596**	**574,438**	**466,196**

Current	753,937	567,596	574,438	466,196
Non-current		-		-
	753,937	567,596	574,438	466,196

The breakdown of deferred acquisition cost by class of business are as follows :

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Deferred acquisition cost-Fire	100,086	55,084	73,141	40,068
Deferred acquisition cost-Motor vehicle	123,988	93,088	79,400	58,077
Deferred acquisition cost-General Accident, Bond & Engineering	310,994	324,680	290,626	306,281
Deferred acquisition cost-Aviation & Marine	70,078	34,983	53,676	26,277
Deferred acquisition cost-Agric	4,949	2,046		-
Deferred acquisition cost-Oil & Gas	143,841	57,715	77,595	35,493
	753,937	**567,596**	**574,438**	**466,196**

12 **Investment in Joint Venture**

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	271,296	554,305	137,739	293,116
Cash paid for equity interest (see note (a) below)			-	
Property transferred for the equity interest (see note (b) below)				
Prior years'share of loss of the joint venture	-			-
	271,296	554,305	137,739	293,116
current year share of profit/(loss) of the joint venture (see note © below)	-	(283,010)		(155,378)
Dividends paid during the year				
	271,296	**271,295**	**137,739**	**137,738**

Current	271,296	271,295	137,739	137,738
Non-current		-		-
	271,296	271,295	137,739	137,738

13

Investment in subisidiaries *In thousands of naira*	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Cornerstone Leasing & Investment limited	-	-	100,000	100,000
Cornerstone Takaful Nigeria Limited			466,099	466,099
Fin Insurance company limited	-	-	3,154,748	3,154,748
	-	-	3,720,847	3,720,847
Impairment allowance (see note (a) below)	-	-	(100,000)	(100,000)
	-	-	3,620,847	3,620,847
Current	-	-	-	-
Non-current	-	-	3,620,847	3,620,847
	-	-	3,620,847	3,620,847

14 **Investment properties**

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	602,000	560,000	-	
Fair value gains/(losses)	-	42,000	-	-
Balance, end of the year	602,000	602,000	-	-

15 Property and equipment

(a) Group
At 30 June 2021

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost:								
At 1 January 2021	1,265,808	585,339	88,943	64,877	718,123	613,758	197,536	3,534,384
Additions			2,269	0	213,418	16,162	524	232,373
Disposals					-	-		-
At 30 June 2021	**1,265,808**	**585,339**	**91,212**	**64,877**	**931,541**	**629,920**	**198,060**	**3,766,757**
Accumulated depreciation								
At 1 January 2021	72,017	295,165	63,100	22,289	545,822	574,657	181,315	1,754,365
Charge for the year	-	3,375	5,048	2,650	77,016	15,195	2,229	105,513
Disposals					-	-		-
At 30 June 2021	72,017	298,540	68,148	24,939	622,838	589,852	183,544	1,859,878
Net book value								
At 30 June 2021	**1,193,791**	**286,799**	**23,064**	**39,938**	**308,703**	**40,068**	**14,516**	**1,906,879**

(a) Group
31 December, 2020

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost:								
At 1 January 2020	1,288,808	602,339	26,710	64,877	721,729	586,875	198,223	3,489,561
Additions	-	-	62,233	-	56,682	27,453	1,076	147,444
Disposals	(23,000)	(17,000)	-	-	(60,288)	(569)	(1,763)	(102,621)
At 31 December, 2020	**1,265,808**	**585,339**	**88,943**	**64,877**	**718,123**	**613,758**	**197,536**	**3,534,384**
Accumulated depreciation								
At 1 January 2020	72,017	281,677	-	17,482	491,476	544,146	178,551	1,585,349
Charge for the year	-	14,186	63,100	4,807	97,762	30,882	8,552	219,290
Reversal on impairment	-	-	-	-	-	-	(5,229)	(5,229)
Disposals	-	(698)	-	-	(43,416)	(371)	(559)	(45,045)
At 31 December, 2020	72,017	295,165	63,100	22,289	545,822	574,657	181,315	1,754,365
Carrying Amount:								
At 31 December, 2020	**1,193,791**	**290,174**		**42,588**	**172,301**	**39,101**	**16,221**	**1,780,019**

15 (b) **Company**
At 30 June 2021

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost								
At 1 January 2021	135,321	294,423	75,100	64,877	537,690	485,782	146,392	1,739,585
Additions	-	-	2,269	-	148,668	14,210	100	165,247
Disposals								-
At 30 June 2021	135,321	294,423	77,369	64,877	686,358	499,992	146,492	1,904,833
Accummulated Depreciation								
At 1 January 2021	-	122,379	51,099	22,289	386,849	452,691	134,185	1,169,492
Charge for the year	-	2,284	-	2,650	65,886	12,226	880	83,926
Disposals								-
At 30 June 2021	-	124,663	51,099	24,939	452,735	464,917	135,065	1,253,418
Net book value:								
At 30 June 2021	**135,321**	**169,760**	**26,270**	**39,938**	**233,624**	**35,075**	**11,427**	**651,414**

Company
31 December, 2020

In thousands of naira	Land	Building	Right of use assets	Leasehold Improvement	Motor Vehicles	Equipment	Furniture & Fittings	Total
Cost								
At 1 January 2020	135,321	294,423	22,984	64,877	566,212	462,232	148,182	1,694,231
Additions	-	-	52,116	-	45,261	24,398	480	122,255
Disposals	-	-			(60,288)	(569)	(1,763)	(62,620)
Derecognition of Takaful Insurance	-	-			(13,495)	(278)	(507)	(14,280)
At 31 December, 2020	135,321	294,423	75,100	64,877	537,690	485,782	146,392	1,739,585
Accummulated Depreciation:								
At 1 January 2020	-	116,987		17,482	360,461	429,663	130,329	1,054,922
Charge for the year	-	5,392	51,099	4,807	78,354	23,443	4,922	168,018
Derecognition of Takaful Insurance		-			(8,550)	(44)	(507)	(9,101)
Disposals		-		-	(43,416)	(371)	(559)	(44,347)
At 31 December, 2020	-	122,379	51,099	22,289	386,849	452,691	134,185	1,169,492
Net book value								
At 31 December, 2020	**135,321**	**172,044**	**24,001**	**42,588**	**150,841**	**33,091**	**12,207**	**570,093**

16 Intangible Assets

In thousands of naira		Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Cost:					
Balance, beginning of the year		217,971	212,760	185,599	184,895
Additions		3,006	5,211	298	704
Disposals					
Balance, end of the period	-	**220,977**	**217,971**	**185,897**	**185,599**
Amortisation:					
Balance, beginning of the year		200,323	183,396	172,099	155,531
Charge for the year		6,321	16,927	5,728	16,568
Disposals					
Balance, end of the period	-	**206,644**	**200,323**	**177,827**	**172,099**
As At 30 June 2021		**14,333**	**17,648**	**8,070**	**13,500**

17 Statutory Deposits

In thousands of naira	Group 6 Months Jun-21		Group 12 Months Dec- 2020	Company 6 Months Jun-21		Company 12 Months Dec- 2020
Non life business	800,000		800,000	300,000		300,000
Takaful	200,000		200,000	-		-
Life business	200,000		200,000	200,000		200,000
	1,200,000	**-**	**1,200,000**	**500,000**	**-**	**500,000**

18 Investment Contract Liabilities

In thousands of naira	Group 6 Months Jun-21		Group 12 Months Dec- 2020	Company 6 Months Jun-21		Company 12 Months Dec- 2020
Investment contract liabilities	3,671,975		3,674,861	3,223,858		3,226,593

The movement in investment contract liabilities is analysed below:

Balance, beginning of the year	3,674,861		3,406,701	3,226,593		3,406,701
Contribution	911,637		1,396,936	772,392	-	1,205,513
Withdrawals	(903,943)		(1,293,203)	(801,970)	-	(1,129,608)
Derecognition of Takaful DA			-			(420,440)
Guaranteed interest	26,841		164,427	26,841	-	164,427
Balance, end of the period	**3,709,396**	**-**	**3,674,861**	**3,223,858**	**-**	**3,226,593**
			-			
Current	3,709,396	-	3,674,861	3,223,858	-	3,226,593
Non-current	-	-	-	-	-	-

19 Insurance contract liabilities

In thousands of naira	Group 6 Months Jun-21		Group 12 Months Dec- 2020	Company 6 Months Jun-21		Company 12 Months Dec- 2020
Life insurance contract (see (a) below)	5,925,540		6,429,098	5,925,540		6,390,796
Non life insurance contract (see (b) below)	14,774,415		12,317,126	12,586,892		10,813,065
Total insurance contract liabilities (see note ©	20,699,955	-	18,746,225	18,512,433	-	17,203,861

(a) Life insurance contract liabilities

In thousands of naira	Group 6 Months Jun-21		Group 12 Months Dec- 2020	Company 6 Months Jun-21		Company 12 Months Dec- 2020
Life fund (see note (i) below)	2,134,381		1,629,582	2,134,381		1,591,280
Claims outstanding	1,037,702		1,193,726	1,037,702		1,193,726
IBNR	124,539		211,706	124,539		211,706
Claims outstanding-Takaful life			-			-
Life annuity fund (see note (iii) below)	2,628,918		3,394,084	2,628,918		3,394,084
Total life insurance contract liabilities	5,925,540	-	6,429,098	5,925,540	-	6,390,796

(i) Movement in Life fund:

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	1,629,582	1,179,719	1,591,280	1,179,719
Additions during the year	504,799	449,863	543,101	411,561
Balance, end of the year	2,134,381	1,629,582	2,134,381	1,591,280

(ii) Movement in Life annuity fund:

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	3,394,084	1,491,985	3,394,084	1,491,985
Additions during the year **	-	-	-	-
Payments during the year **	-	-	-	-
(Increase)/ Decrease during the year	(765,166)	1,902,099	(765,166)	1,902,099
Balance, end of the year	2,628,918	3,394,084	2,628,918	3,394,084

(b) Non-life insurance contract liabilities

In thousands of naira	Group 6 Months Jun-21		Group 12 Months Dec- 2020	Company 6 Months Jun-21		Company 12 Months Dec- 2020
Outstanding claims	7,869,038		6,374,090	6,912,683		5,787,694
IBNR	1,521,277		1,457,548	1,368,260		1,309,122
Outstanding claims-Takaful	28,726		28,609	-		-
IBNR-Takaful	21,512		21,602	-		-
Total non-life claims	9,440,552	-	7,881,849	8,280,943	-	7,096,816
Unearned premiums	5,177,248		4,319,596	4,305,950		3,716,249
Unearned premium - Takaful	156,614		115,681	-		-
below)	5,333,862	-	4,435,277	4,305,950	-	3,716,249
Total non-life insurance contract liabilities	14,774,415	-	12,317,126	12,586,892	-	10,813,065
Total insurance contract liabilities	20,699,955	-	18,746,224	18,512,433	-	17,203,861

(c) Total insurance contract liabilities comprise:

In thousands of naira	Group Jun-21	Group Dec- 2020	Company Jun-21	Company Dec- 2020	Group Movement	Company Movement
Outstanding claims (see note (i) below)	8,935,466	7,596,425	7,950,385	6,981,420	1,339,041	968,965
IBNR (see note (ii) below)	1,667,324	1,690,856	1,492,796	1,520,828	(23,532)	(28,032)
Unearned premium (see note (b)(i))	5,333,862	4,435,277	4,305,950	3,716,249	898,585	589,701
Life fund/Group life (see note (a)(i))	2,134,381	1,629,582	2,134,381	1,591,280	504,799	543,101
Life annuity fund (see note (a)(ii))	2,628,918	3,394,084	2,628,918	3,394,084	(765,166)	(765,166)
Claims payable	3	0	3	0	3	3
	20,699,955	18,746,224	18,512,433	17,203,861	1,953,731	1,308,572

(i) Movement in outstanding claims:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Balance, beginning of the year	7,538,400	5,384,537	6,980,541	4,916,763
(Decrease)/ Increase during the year	1,397,066	2,153,863	969,844	2,063,778
Balance, end of the year	8,935,466	7,538,400	7,950,385	6,980,541

(ii) Movement in IBNR:

In thousands of naira	Group 2021	Group 2020	Company 2021	Company 2020
Balance, beginning of the year	1,701,204	1,059,441	1,520,828	893,696
Increase/(Decrease) during the year	(33,880)	641,763	(28,032)	627,132
Balance, end of the year	1,667,324	1,701,204	1,492,796	1,520,828

20 Trade payables

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Payables to reinsurers	1,295,650	260,649	1,180,694	162,242
Commission payable	49,118	54,190	49,118	54,190
Premium Deposit (see note (a))	600,862	1,304,856	495,233	1,187,450
	1,945,631	1,619,695	1,725,046	1,403,882
Current	1,945,631	1,619,695	1,725,046	1,403,882
Non-current				
	1,945,631	1,619,695	1,725,046	1,403,882

21 Other payables and accruals

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Financial				
Performance bonus	6,317	100,014	693	55,761
Other staff payables	47,128	24,726	39,169	22,702
National Housing Funds	7,786	8,551	7,786	8,551
Accounts payable	-	142,363	-	98,202
Professional fees payable		43,360		26,322
Stale cheques	0	0	0	0
Rent payable				
Consultancy fee payable		-		-
NITDA levy payable		-		-
Sundry creditors	274,601	160,632	72,264	134,914
	335,831	479,646	119,912	346,452
Non-financial				
Accrued expenses	337,785	275,361	226,276	242,107
PAYE	39,503	9,971	34,921	9,971
Impairment allowance	-	-	-	-
Witholding tax payable	207,311	77,787	207,987	77,787
	584,599	363,119	469,184	329,865
	920,430	**842,765**	**589,096**	**676,317**
Current	920,430	842,765	589,096	676,317
Non-current				
	920,430	**842,765**	**589,096**	**676,317**

22 Deferred commission income

The analysis of deferred commission income by class is as follows:

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Motor	13,037	12,270	4,306	3,251
Fire	113,454	59,724	78,359	41,885
General accident,Bond & Engineering	20,769	13,058	20,579	13,032
Bond	509	562	482	525
Engineering	408,101	365,834	395,207	347,169
Marine	27,309	28,148	17,449	18,815
Agric	2,991	1,814		
Aviation	2,140		1,980	
Oil and Gas	73,934	62,248	53,282	52,827
Mapfre	-		-	
Life	350,855	226,968	350,855	226,968
	1,013,100	**770,626**	**922,500**	**704,472**
Current	1,013,100	770,626	922,500	704,472
Non-current				
	1,013,100	**770,626**	**922,500**	**704,472**

23 Income tax liabilities

(a) The movement in income tax liabilities during the year is as follows:

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	445,799	476,717	276,964	318,953
Income tax for the year (see note (b) below)	37,326	71,313	29,358	38,032
Minimum tax		-		-
Payment during the year	(144,278)	(102,231)	(37,401)	(80,021)
Balance, end of the year	**338,847**	**445,799**	**268,921**	**276,964**
Current	338,847	445,799	268,921	276,964
Non-current				
	338,847	445,799	268,921	276,964

(d) **Deferred Taxation**

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	798,855	338,923	837,997	338,923
Transfer from CAML				
Recognised in profit or loss		499,077		499,077
Recognised in other comprehensive income:				
Revaluation gain on property and equipment				
Unrealised exchange gain				
	798,855	**838,000**	**837,997**	**838,000**

24 Employees' Retirement Obligations

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	3,793.00	3,577	1,769	1,553
Pension expense for the year		68,847		50,587
Payments made during the year		(68,631)		(50,371)
	3,360	**3,793**	**1,336**	**1,769**

26 Equity

(a) Share capital

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Authorised:				
18,500,000,000 ordinary shares of 50k each	9,250,000	9,250,000	9,250,000	9,250,000
Issued and fully paid:				
18,166,392,000 ordinary shares of 50k each	9,083,197	9,083,196	9,083,197	9,083,196

(b) Share premium

This represents the amounts paid by shareholders above the nominal price of the shares.

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Share premium	183,165	183,165	183,165	183,165

(c) Treasury shares

Treasury shares are own equity instruments which are deducted from equity and no dividends are allocated to them.

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Treasury shares	**(61,430)**	**(58,440)**	**(61,430)**	**(58,440)**

(d) Accumulated losses

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	3,101,415	1,392,250	(431,800)	(1,844,004)
Transfer from reserves from merger (see note 25)				-
Transfer to contingency reserves (see note (e) below)	(274,696)	(471,911)	(216,776)	(362,715)
Transfer from statement of comprehensive income	796,463	2,181,077	557,810	1,774,919
			-	-
Balance, end of the year	**3,623,182**	**3,101,415**	**(90,767)**	**(431,800)**

(e) Contingency reserves

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	4,017,271	3,545,360	3,305,027	2,942,312
Transfer from retained earnings	274,696	471,911	216,776	362,715
		-		-
Balance, end of the year	**4,291,968**	**4,017,271**	**3,521,803**	**3,305,027**

(f) AFS fair value reserves

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	1,132,194	426,306	906,871	234,622
Transfer from statement of other comprehensive income	(864,585)	705,888	(863,267)	672,249
Cornerstone Takaful Nigeria Limited		-		-
Balance, end of the year	**267,609**	**1,132,194**	**43,604**	**906,871**

(g) Non-controlling interest in Equity

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	265,650	250,715	-	
Share of profit for the year	5,026	13,780		
Share of other comprehensive income	(199)	1,155		
Balance, end of the year	**270,477**	**265,650**	-	-

27 Premium Income

(a) Gross premium income

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Non-life insurance premiums	7,571,041	4,811,682	6,222,118	3,947,293
Life insurance premiums	2,804,607	2,875,704	2,804,607	2,875,704
Investment contracts with DPF				
Annuity	206,680	250,271	206,680	250,271
Cornerstone Takaful Nigeria	184,899	104,006	-	104,006
Gross premium income	**10,767,227**	**8,041,662**	**9,233,405**	**7,177,273**
	-	-		-

(b) Movement in unearned premium

In thousands of naira	Group 6 Months Jun-21	Group 12 Months Dec- 2020	Company 6 Months Jun-21	Company 12 Months Dec- 2020
Balance, beginning of the year	4,438,797	4,438,797	3,725,218	3,725,218
Changes in unearned premium (see note 19(c))	962,902	-	589,701	-
Balance, end of the year	**5,401,699**	**4,438,797**	**4,314,919**	**3,725,218**

(c) Gross premium income

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Gross premium written	10,767,227	8,041,662	9,233,405	7,177,273
Changes in unearned premium (see note (b) above)	(962,902)	(54,980)	(589,701)	195,746
Changes in unearned premium group life	-	(1,220,622)	-	(1,220,622)
Gross premium income	**9,804,326**	**6,766,060**	**8,643,704**	**6,152,397**

(d) Changes in Life Business

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Changes in life fund (see note 19(c))	(542,222)		(542,222)	
Changes in life annuity fund (see note 19(c))	765,166	(648,925)	765,166	(648,925)
	222,943	(648,925)	222,943	(648,925)

(e) Reinsurance expenses

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Non-life reinsurance premiums	4,406,031	2,633,604	3,711,787	2,254,030
Life reinsurance premiums	1,628,342	1,567,226	1,628,342	1,567,226
Takaful reinsurance premiums	28,418	18,495	-	18,495
Gross written reinsurance premiums	**6,062,791**	**4,219,324**	**5,340,129**	**3,839,751**
Change in reinsurance unearned premiums	(987,777)	(557,854)	(808,117)	(462,010)
Reinsurers' share of gross earned premiums	5,075,014	3,661,470	4,532,011	3,377,739
Net premium income	**5,915,157**	**2,455,666**	**4,924,337**	**2,125,733**

28 Fee and commission income

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Reinsurance commissions and profit commission	1,141,849	696,960	1,015,148	631,270

Group

29 Net Claims expenses

	2021				
	Gross	**Movement in outstanding claims**	**Total**	**Reinsurance's share**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Life business	952,458	(242,312)	710,145	(275,492)	434,654
Non-life business	1,250,933	1,558,673	2,809,606	(1,483,717)	1,325,890
Takaful	79,829	(116)	79,713	-	79,713
Gross claim paid	2,283,220	1,316,245	3,599,464	(1,759,208)	1,840,256
Annuity Payout	181,813	-	181,813	-	181,813
Net Claims expenses	**2,465,032**	**1,316,245**	**3,781,277**	**(1,759,208)**	**2,022,069**

Company

29 Net Claims expenses

	2021				
	Gross	**Movement in outstanding claims**	**Total**	**Reinsurance's share**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Life business	952,458	(242,312)	710,145	(275,492)	434,654
Non-life business	1,148,755	1,184,123	2,332,879	(1,180,757)	1,152,122
Takaful			-		-
Gross claim paid	**2,101,213**	**941,811**	**3,043,024**	**(1,456,248)**	**1,586,776**
Annuity Payout	181,813	-	181,813	-	181,813
Net Claims expenses	**2,283,026**	**941,811**	**3,224,837**	**(1,456,248)**	**1,768,589**

Group

	2020				
	Gross	**Movement in outstanding claims**	**Total**	**Reinsurance's share**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Life business	841,445	(180,583)	660,862	(243,580)	417,282
Non-life business	1,216,899	1,858,190	3,075,088	(1,949,744)	1,125,345
Takaful	17,887	(8,769)	9,119	-	9,119
Gross claim paid	**2,076,231**	**1,668,838**	**3,745,070**	**(2,193,323)**	**1,551,746**
Annuity Payout	118,456	-	118,456	-	118,456
Net Claims expenses	**2,194,687**	**1,668,838**	**3,863,526**	**(2,193,323)**	**1,670,202**

Company

	2020				
	Gross	**Movement in outstanding claims**	**Total**	**Reinsurance's share**	**Net**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Life business	841,445	(180,583)	660,862	(243,580)	417,282
Non-life business	1,017,243	1,717,153	2,734,396	(1,861,871)	872,526
Takaful	17,887	(8,769)	9,119	-	9,119
Gross claim paid	**1,876,575**	**1,527,802**	**3,404,377**	**(2,105,450)**	**1,298,927**
Annuity Payout	118,456	-	118,456	-	118,456
Net Claims expenses	**1,995,032**	**1,527,802**	**3,522,834**	**(2,105,450)**	**1,417,383**

30 Underwriting Expenses

(a) Acquisition cost

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Aquisition cost- General	1,010,974	636,927	778,221	476,108
Aquisition cost- Life	322,496	234,208	322,496	234,208
Aquisition cost- Takaful	29,498	17,793	-	17,793
	1,362,968	**888,928**	**1,100,717**	**728,108**
Changes in deferred underwriting expenses	(184,635)	(109,380)	(108,242)	(40,639)
	1,178,333	779,548	992,475	687,469

(b) **Maintenance cost**

Maintenance cost- General	364,805	185,820	311,627	147,338
Maintenance cost- Life	4,956	5,060	4,956	5,060
Maintenance cost- Takaful	3,549	2,590	-	2,590
	373,309	193,471	316,583	154,989
Total		**796,749**		**666,189**

31 Investment income

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
31(b) Investment income				
Dividend income	142,398	167,294	117,860	132,690
Interest income	699,406	640,760	501,542	500,905
Others				
	841,805	808,054	619,401	633,595

32(a) Fair value changes in financial assets-FVTPL	(1,109,371)	455,911	(1,109,371)	455,911

	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
32(b) Fair value changes in financial assets-FVTOCI	(864,585)	707,598	(863,267)	645,642

31 **Investment income**

This comprises:

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Interest income on financial assets (see note (a) below)	499,120	343,452	388,868	320,501
Interest income - (see note 18(a))	200,287	297,307	112,674	180,404
Total interest income	699,406	640,760	501,542	500,905
Dividend income	150,834	167,294	117,860	132,690
Rental income	5,500	2,500	-	-
Total investment income	855,741	810,554	619,401	633,595
Less: Interest income - Investment contract liabilities				
Investment income on financial assets	**855,741**	**810,554**	**619,401**	**633,595**

(a) **Interest income on financial assets:**

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Interest income received				
Accrued interest:				
- Available-for-sale financial assets (see note 7(a)(ii))				-
- Held-to-maturity investments (see note 7(d)(i))	499,120	343,452	388,868	320,501
	499,120	343,452	388,868	320,501
Interest income - (see note 18(a))	200,287	297,307	112,674	180,404
	699,406	640,760	501,542	500,905

32 **Net fair value (losses)/gains-FVTPL**

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Fair value gains/(loss) in financial assets (see note 7(b)(i))	(1,109,371)	455,911	(1,109,371)	455,911
Share of Profit from Joint Venture	-		-	
	(1,109,371)	**455,911**	**(1,109,371)**	**455,911**

33(a) **Net exchange gain**

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Unrealised exchange gain	312,377	688,273	155,584	360,877
Realised exchange gain				
	312,377	**688,273**	**155,584**	**360,877**

The net exchange gain resulted from translation of foreign currency denominated assets of the entity at closing rate as at reporting date in line with IAS 21 and also from sales of foreign currency denominated assets during the year.

34 **Other operating income**

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Miscellaneous income	1,445	107,197	31	107,161
Gain on disposal of property & equipment	-	3,488	-	3,464
Administrative income				-
Recovery on subrogation		-		-
	1,445	**110,685**	**31**	**110,626**

35 Allowance for impairment losses

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Loss on premium receivables	-	-		-
Reserval of impairment of financial assets (see note 9b(i))		-		-
Allowance on reinsurance receivable (see note 10(ii))		-		-
Allowance on receivables (see note 9(c))	-	-	-	-
	-	-	-	-

36 **Personnel expenses**

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Salaries	769,450	660,198	566,041	499,107
Other staff allowances	(37,965)	44,038	(38,524)	43,843
Defined contribution pension costs	34,756	36,183	23,371	29,060
Auxillary staff costs	138,326	110,789	124,598	102,137
Directors' costs	10,544	7,984	6,064	5,914
Staff training and development	16,535	21,060	15,406	20,657
	931,646	**880,251**	**696,957**	**700,718**

37 Other operating expenses

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Advertising and promotions	34,109	7,781	26,445	5,458
Rents and rates	44,239	22,048	43,227	21,751
Consultancy fees	186,523	97,671	186,267	97,671
Legal fees	57,148	39,295	25,952	17,486
Repairs, fuel and maintenance	116,224	98,735	102,448	91,460
Statutory due (NAICOM levy)	72,825	11,838	57,385	3,138
Auditor's remuneration	15,415	26,948	9,333	17,948
Subscription	10,314	4,698	6,311	1,151
Business travels	20,817	14,615	15,259	10,781
Fines and Penalties	4,500	-	4,500	-
Insurance	33,752	22,473	27,380	17,939
Medicals	5,073	34,442	1,741	30,299
AGM expenses	250	331	250	-
Telephone and postages	7,503	7,363	6,530	4,760
Electricity	8,626	8,062	7,440	7,186
Stationery and printing	6,181	7,568	4,158	5,992
Office expenses	11,768	11,936	7,526	10,108
IT Consumables	10,675	11,177	7,973	9,965
Other expenses	28,821	24,777	7,171	5,320
	674,761	**451,756**	**547,295**	**358,411**

38 Finance Costs

In thousands of naira	Group 6 Months Jun-21	Group 6 Months Jun-20	Company 6 Months Jun-21	Company 6 Months Jun-20
Cost of turnover				
Interest expense	-		-	
Bank charges	28,076	42,577	16,710	21,845
	28,076	**42,577**	**16,710**	**21,845**

39 **Statement of cash flow notes**

Details of the statement of cash flows workings are presented below. Certain comparative figures have been reclassified in the statement of cash flows in order to align to the presentation adopted in the current year. The impact of these reclassification has been considered to be immaterial.

	In thousands of naira	Note	Group 2021	Group 2020	Company 2021	Company 2020
(i)	Premium received					
	Gross written premium per income statement	27(a)	10,767,227	8,041,662	9,233,405	7,177,273
	Add: Opening receivables (Gross)	8	154,580	60,183	108,675	58,100
	Less: Closing receivables (Gross)	8	(387,529)	(289,845)	(281,987)	(258,445)
			10,534,278	7,812,000	9,060,093	6,976,928
(ii)	Proceeds from disposal of property and equipment					
	Cost of assets disposed	15	-	25,095	-	25,095
	Accumulated depreciation of assets disposed	15	-	(25,095)	-	(25,095)
	Net book value of disposed assets		-	0	-	0
	Profit/ (Loss) on disposal	34	-	3,488	-	3,464
	Disposal proceeds		-	3,488	-	3,464
(iii)	Reinsurance premium paid					
	Reinsurance cost	27	(6,062,791)	(3,661,469)	(5,340,129)	(3,377,740)
	Add: Closing reinsurance payable	20	1,945,631	1,764,785	1,725,046	1,755,070
	Less: Opening reinsurance payable	20	(1,619,695)	(1,515,186)	(1,403,882)	(1,481,750)
			(5,736,855)	(3,411,870)	(5,018,965)	(3,104,420)

40 Securities Trading Policy

In compliance with Rule 17. 15 Disclosure of Dealings in Issurers' shares, Rulebook of the Exchange 2015 (Issurers Rule) Cornerstone Insurance PLC maintains an effective Securities Trading Policy which guides Directors, Audit Committee Members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the Directors and other insiders and is not aware of any infringement of the Policy during the period.